

Q2'14 Global IPO update and follow-on activity report

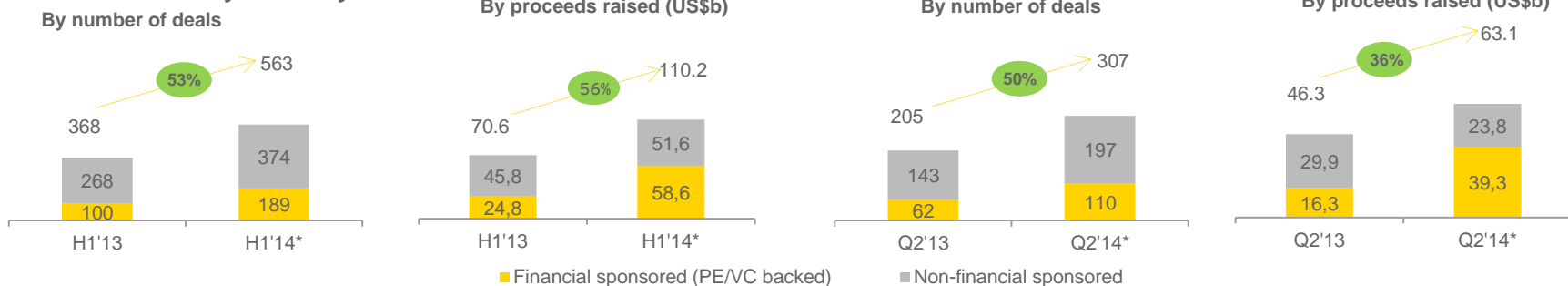
January – June 2014



Building a better
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H1'14* saw a 56% increase in proceeds and a 53% increase in the number of IPOs, compared with H1'13

Global IPO activity summary



Top three IPO deals (by capital raised) during H1'14*

Issuer name	Domicile country	Specific industry	Exchange	Proceeds (US\$m)	% of global capital
HK Electric Investments Ltd	Hong Kong, China	Power	Hong Kong (HKEx)	3,111.0	2.8%
Japan Display Inc	Japan	Electronics	Tokyo (TSE)	3,085.0	2.8%
Ally Financial Inc	United States	Other financials	New York (NYSE)	2,556.1	2.3%

Top three PE-backed IPOs (by capital raised) during H1'14*

Issuer name	Domicile country	Specific industry	Exchange	Proceeds (US\$m)	% of global capital
Ally Financial Inc	United States	Other financials	New York (NYSE)	2,556.1	2.3%
AA plc	United Kingdom	Automobiles & Components	London (LSE)	2,356.0	2.1%
Santander Consumer USA Holdings Inc	United States	Credit institutions	New York (NYSE)	2,045.8	1.9%

Top three VC-backed IPOs (by capital raised) during H1'14*

Issuer name	Domicile country	Specific industry	Exchange	Proceeds (US\$ m)	% of global capital
JD.com Inc	China	Internet and catalog retailing	NASDAQ	2,047.0	1.9%
Just Eat plc	United Kingdom	Internet software and services	London (LSE)	599.0	0.5%
Zoopla Property Group Ltd	United Kingdom	Publishing	London (LSE)	597.6	0.5%

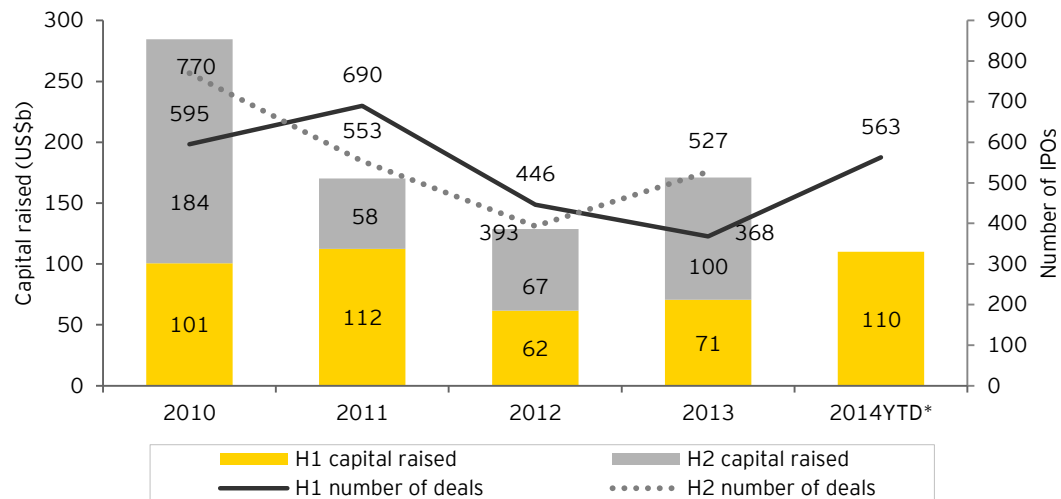
*Data includes effective IPOs up to 26 June 2014.

Global IPO activity trends

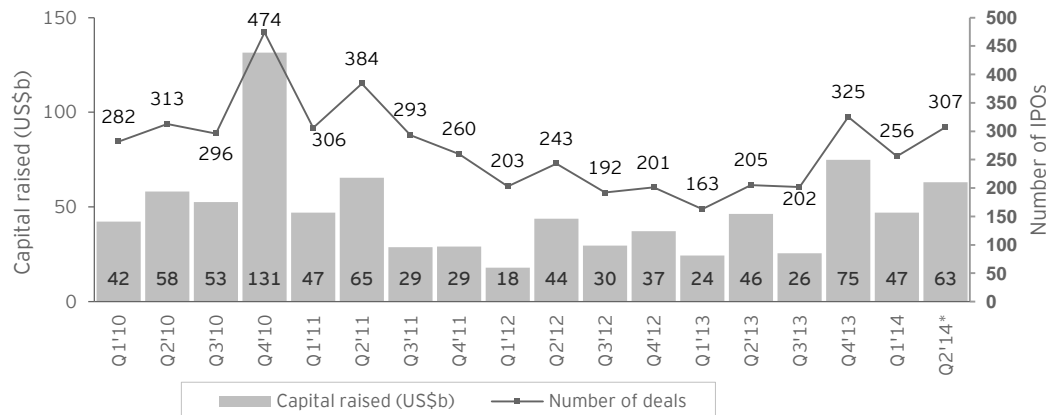
IPO activity saw a significant increase in H1'14* compared with H1'13, primarily due to strong activity levels in EMEIA, US and Greater China

- ▶ There was a 53% increase in IPO deal volume and close to a 56% increase in proceeds raised during H1'14*, compared with H1'13. H1'14, in fact, saw the highest IPO capital raised recorded in the first half of a year since 2011.
- ▶ IPO activity remained strong in Q2'14*. Compared with Q1'14, the number of IPOs increased by 20%. Volume was up 50% compared with the corresponding quarter last year.
- ▶ Q2'14* saw a 34% and 36% jump in proceeds raised, compared with Q1'14 and Q2'13, respectively. However, while the average deal size increased from US\$183.7m in Q1'14 to US\$205.7m in Q2'14*, the value was down, although marginally, compared with Q2'13 (US\$225.7m).
- ▶ In line with the historical trend, 89% of global IPOs in H1'14* were priced within or above their initial filing range, indicating that broadly, investor sentiment remained strong due to the improving global macroeconomic environment.
- ▶ With IPOs outperforming in developed markets and mega IPOs expected from rapid growth markets, especially China (Alibaba Inc. is expected to be the biggest deal since Facebook), strong IPO activity is expected to continue for the remainder of 2014.

Global IPO activity (2010-2014YTD)



Quarterly IPO activity (Q1'10-Q2'14*)

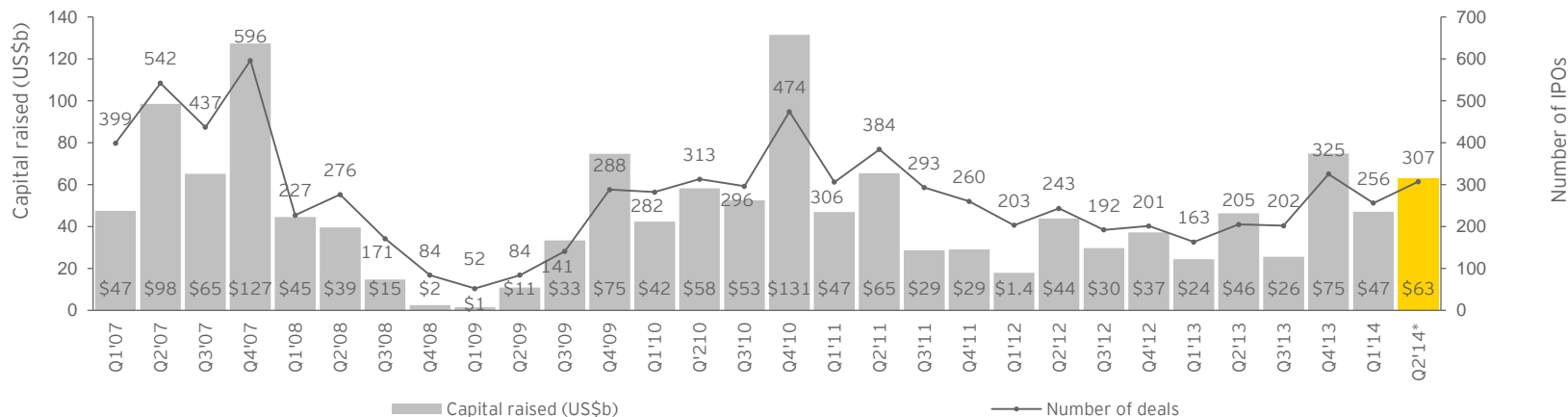


*Data includes effective IPOs up to 26 June 2014.

Global IPO activity trends

IPO activity continues to increase in Q2'14*, both in terms of deal numbers and capital raised compared with Q1'14 and Q2'13

Quarterly IPO activity (Q1'07–Q2'14*)

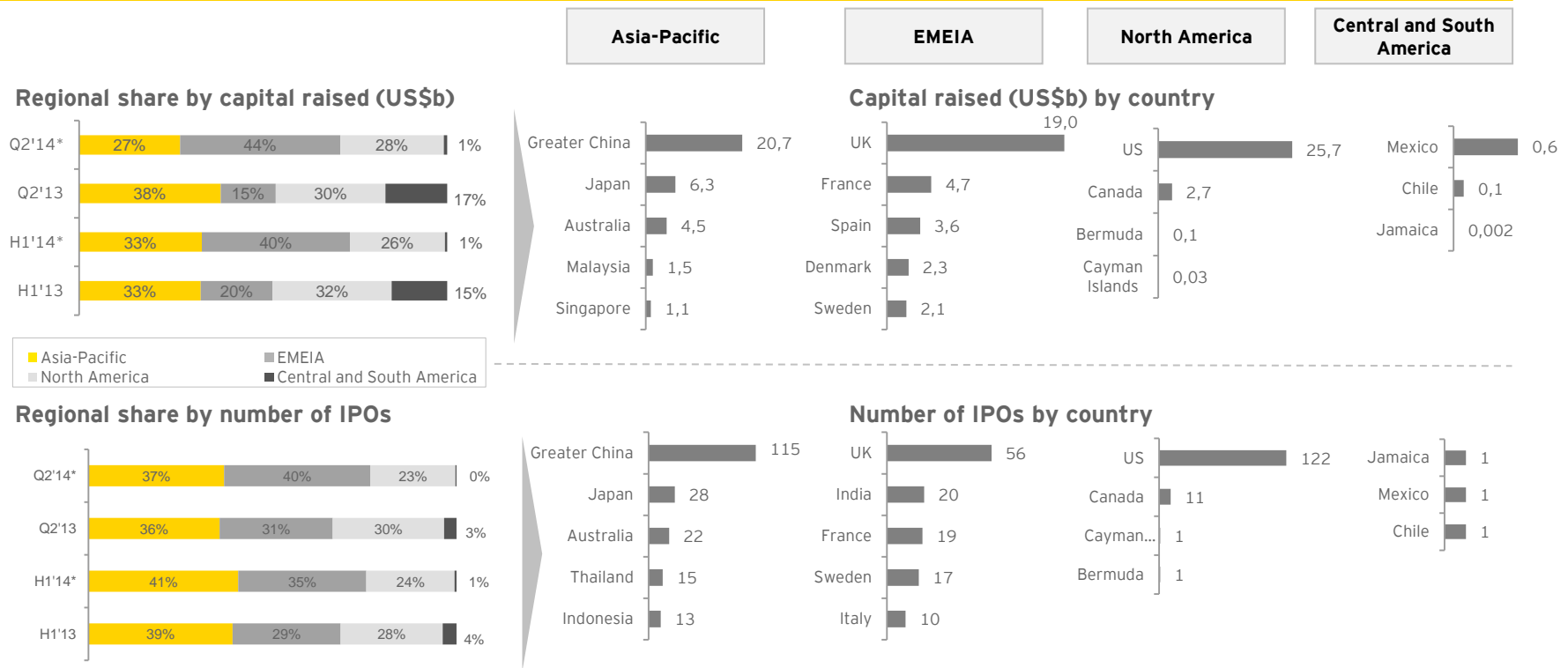


- ▶ For Q2'14*, the number of IPOs increased by 19.9% and the proceeds raised increased by 34.3%, compared with Q1'14. Compared with Q2'13, the increases in the number of IPOs and proceeds were 49.8% and 36.5%, respectively.
- ▶ Q2'14 recorded 11 megadeals (IPOs raising more than US\$1b), much more than the number in Q1'14 (7) and slightly less than those recorded in Q2'13 (12). US-based Ally Financial Inc.'s US\$2.6b listing was the largest IPO for Q2'14 and the third-largest IPO for 2014 so far.
- ▶ Q2'14* was the most active second quarter in terms of number of IPOs since Q2'11, with 307 IPOs worth US\$63.1b.
- ▶ June saw 127 listings raising US\$29.5b, the highest monthly deal numbers and proceeds recorded in the first half of 2014.

*Data includes effective IPOs up to 26 June 2014.

Regional analysis – summary

EMEIA issuers dominated global IPO activity in H1'14* in terms of proceeds raised; Asia-Pacific issuers led in terms of number of IPOs

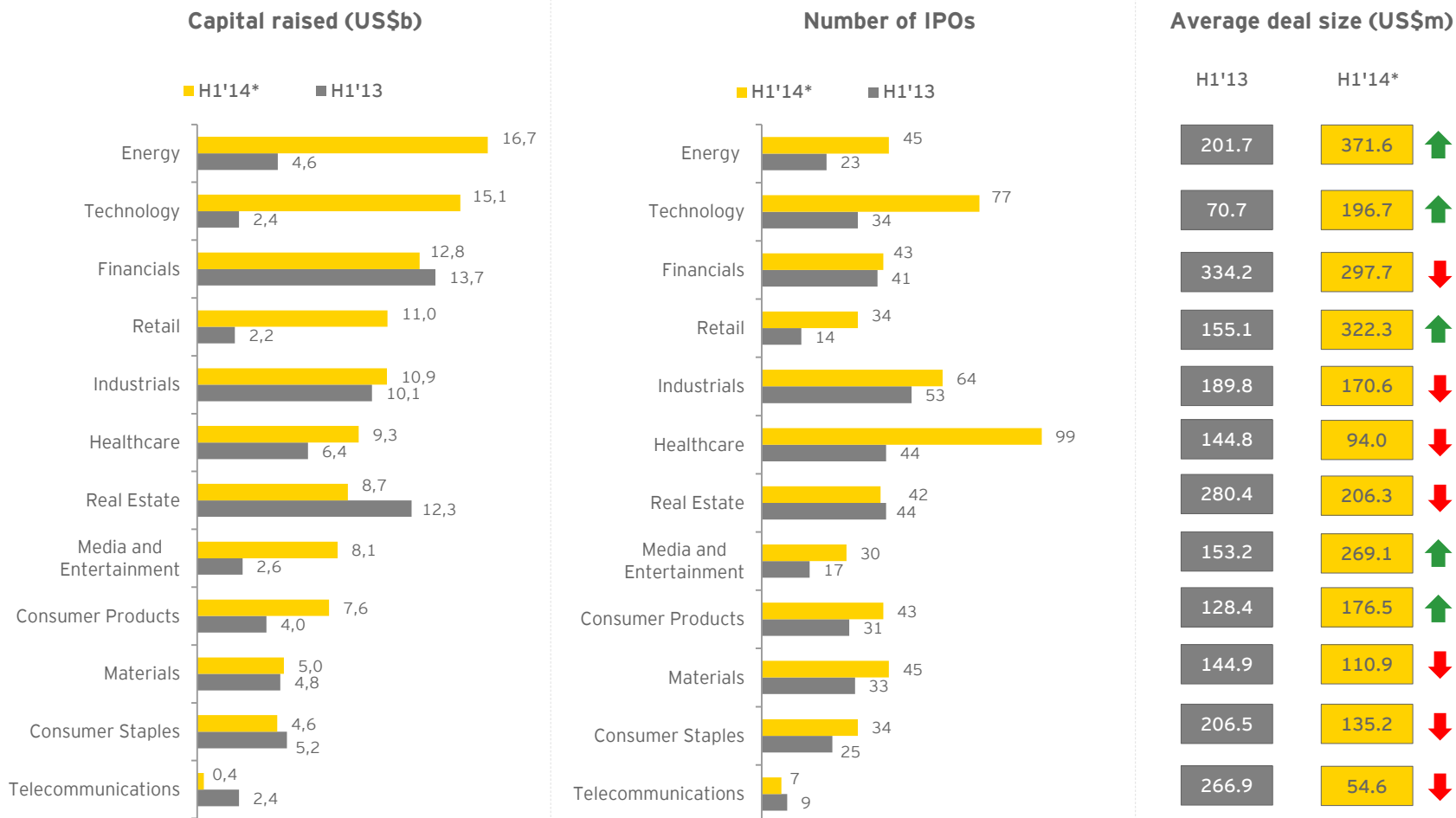


- ▶ The US led in terms of total proceeds raised (US\$25.7b); Greater China¹ (US\$20.7b) and UK (US\$19.0b) were ranked second and third, respectively.
- ▶ There were 18 deals with capital raised above US\$1b. Four of those IPOs, accounting for 6.5% of capital raised globally, were from the US.
- ▶ US (122 deals) dominated the global IPO landscape in terms of deal number, followed by Greater China¹ (115 deals) and the UK (56 deals), which ranked second and third, respectively.
- ▶ Developed countries accounted for 71.6% of the total global capital raised and 57.7% of the number of deals globally.

¹Greater China issuers includes Mainland China (104 deals raised US\$17.0b) and Hong Kong (11 deals raised US\$3.7b).
*Data includes effective IPOs up to 26 June 2014.

Industry analysis

Energy led global activity in H1'14* by proceeds, healthcare dominated the pack by number of IPOs



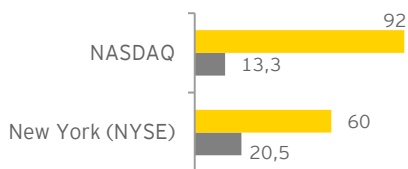
*Data includes effective IPOs up to 26 June 2014.

Stock exchange analysis-: summary

Asia-Pacific exchanges led the global IPO market by deals, while EMEIA exchanges raised close to 38% of global capital

Americas exchanges

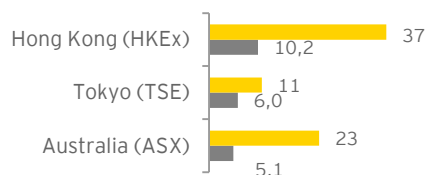
28.6% of number of deals and 33.2% of capital raised



Key exchanges

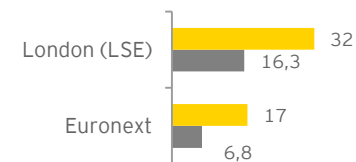
Asia-Pacific exchanges

37.3% of number of deals and 29.7% of capital raised



EMEIA exchanges

34.1% of number of deals and 37.1% of capital raised



■ Number of IPOs ■ Capital raised (US\$b)

Key insights

- ▶ The US accounted for 92.3% of regional proceeds and 94.4% of regional deal numbers in 1H14, up from the respective values of 65.9% and 75.4% in 1H13.
- ▶ Of the total deals in the US in 1H14, 65% were PE/VC-backed, an increase over the 60% share of such deals in the same period last year. Cumulative proceeds for PE/VC-backed deals in 1H14 were US\$27.5b.
- ▶ Energy dominated by proceeds raised (US\$8.8b), while healthcare led by number of IPOs (59) on American exchanges.
- ▶ During 1H14 there were 11 listings of Greater China-based companies on American exchanges, with proceeds worth US\$3.8b.

- ▶ Greater China¹ exchanges accounted for 51.4% of regional proceeds and 48.1% of regional deal numbers in 1H14. This is a significant improvement over the same period last year when due to the IPO ban in Mainland China, activity on these exchanges was relatively low. In 1H13, Hong Kong contributed only 22% to the region's capital raised, while Taiwan recorded one listing worth US\$74m.
- ▶ With 29 IPOs worth US\$6.5b, Japan ranked second by proceeds (19.8%) among Asia Pacific nations, closely behind Hong Kong which accounted for 31.5% of total regional proceeds in 1H14.
- ▶ Technology dominated by proceeds raised (US\$5.5b), while industrials led by number of IPOs (35).

- ▶ The UK accounted for 47.2% of regional proceeds and 35.4% of regional deal numbers in 1H14. This is a slight improvement over the same period last year when the corresponding shares were 32.4% and 22.7%, respectively.
- ▶ Euronext exchanges contributed 16.7% to the region's capital raised and 8.9% to the region's deal numbers.
- ▶ Retail dominated the region's exchanges with proceeds worth US\$6.9b, while healthcare recorded the maximum number of listings (30) during the period.

Data based on domicile of the exchange, regardless of the listed company domicile. ¹Greater China includes Mainland China, Hong Kong, Macau and Taiwan.

*Data includes effective IPOs up to 26 June 2014.

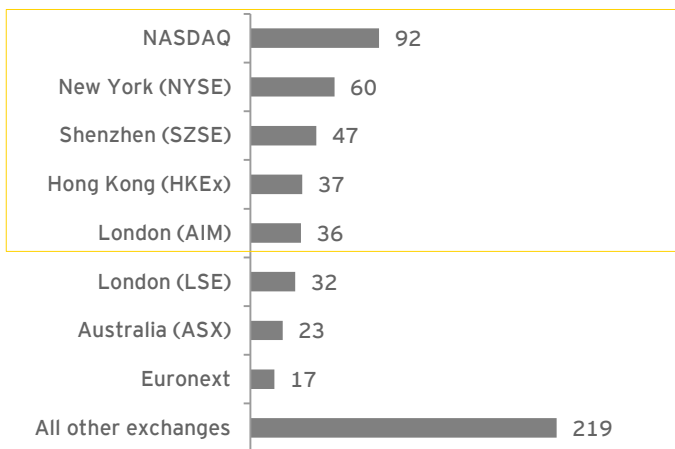
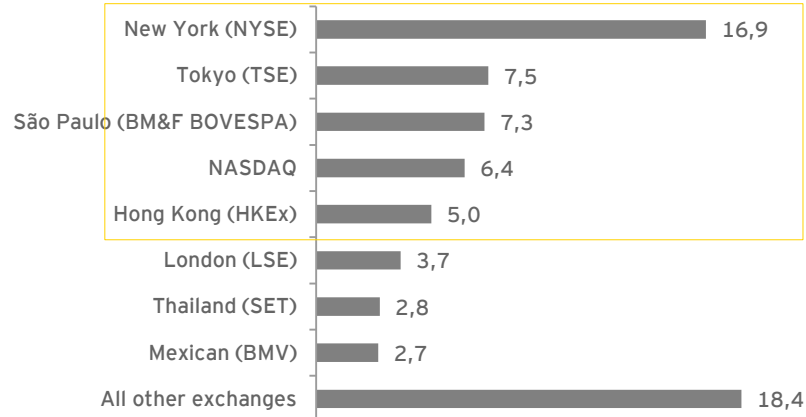
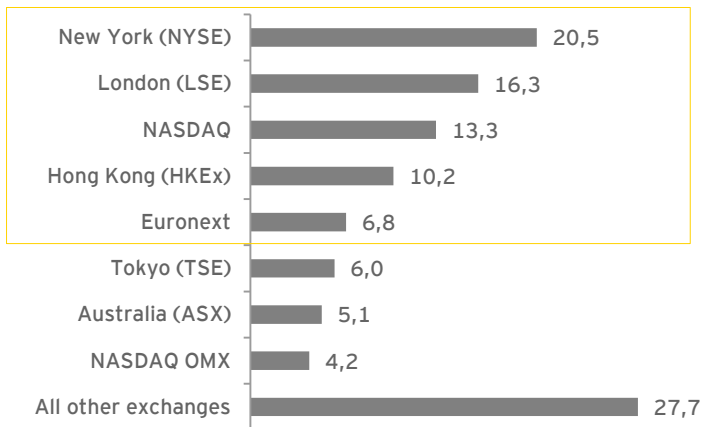
Stock exchange analysis

New York Stock Exchange led in terms of capital raised while NASDAQ led in terms of number of deals in H1'14*

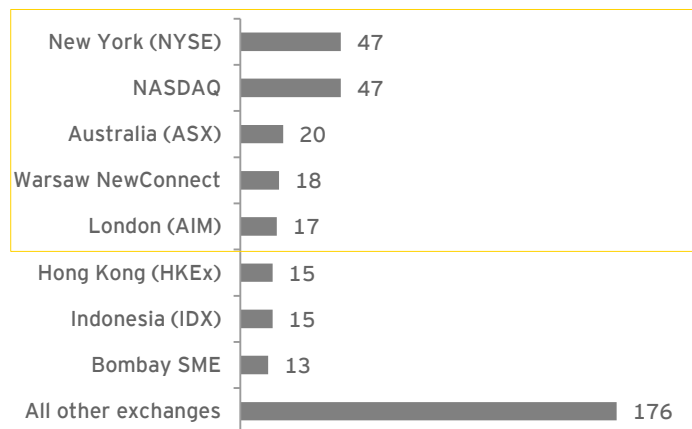
H1'14*

Capital raised (US\$b)

H1'13



Number of IPOs



Data based on domicile of the exchange, regardless of the listed company domicile. Euronext includes Euronext (Amsterdam), Euronext (Paris) and Lisbon, NASDAQ OMX includes Copenhagen and Stockholm, Shenzhen includes Shenzhen (SZSE) and Shenzhen (Chinext).

*Data includes effective IPOs up to 26 June 2014.

EMEIA IPO activity trends

IPO activity by proceeds jumped by 3.5x in H1'14* compared with H1'13; June recorded highest activity since Nov 2012.

Overview

- ▶ EMEIA IPO activity continued to improve through H1'14*, supported by improving macroeconomic conditions and strengthening economic fundamentals in the region.
- ▶ Capital raised was up by close to 3.5x over the period, while the number of IPOs increased by 75%, highlighting that the uptick in activity that was initiated in the latter half of 2013 has been carried through at an accelerated pace into H1'14*.
- ▶ Activity for the month of June (42 IPOs worth US\$13.7b) was the highest monthly activity for the H1'14* period, in terms of capital raised.
- ▶ IPO activity in Q2'14* was significantly higher than in the previous five quarters, both in terms of value and volume. When compared with Q2'13, capital raised and IPO numbers in Q2'14* increased by 5x and 2x, respectively. When compared with the previous quarter, while the number of deals increased by 57%, the proceeds were almost twice of those recorded in Q1'14.

Key deals

- ▶ During H1'14*, the largest listing was of UK based AA Plc that raised close to US\$2.5b on the London Stock Exchange.
- ▶ The region saw several mega listings during H1'14*. Seven of the top ten listings (by capital raised) were worth more than US\$1b in H1'14* compared with only four of the top ten listings during H1'13. Most of big deals seen in 2014* were recorded in Q2'14*.
- ▶ Top two listings during Q2'14* were from UK based corporations, both of which got listed during June, 2014 (AA Plc and B&M European Value Retail SA).
- ▶ The region also saw significant cross-border activity in H1'14* compared with year ago levels. The number of deals increased from 10 in H1'13 to 23 during the first half of 2014, while proceeds grew more than 12 times (to US\$6.4b from US\$532m) during the same period.

PE/VC backed-deals

- ▶ Many PE and VC investors, keen to capitalize on improving market sentiment in EMEIA, are actively pushing out companies in 2014 to take advantage of the wide-open IPO window.
- ▶ The number of PE/VC-backed IPOs went up to 53 in H1'14*, from 17 in the same period last year. At the same time, proceeds increased by close to 3x over the same period. This was primarily due to a large number of PE deals that were recorded in H1'14* – while H1'13 saw 16 PE-backed deals, the first half of 2014 recorded 48 PE-backed deals.
- ▶ Even on a q-o-q basis, the number of PE/VC-backed IPOs and proceeds increased by 94% and 2x, respectively, in Q2'14* compared with Q1'14.

Outlook

- ▶ The outlook for EMEIA remains positive and macroeconomic indicators hint at improving growth momentum and a sustained recovery in the medium term.
- ▶ Fearing the risks of deflation, the ECB lowered the interest rates to record low levels in June 2014. Amid a persistently low interest rate environment, investors are willing to take greater risk and are turning to equities and IPOs in the search for above-inflation investments.

“With main equity indices still trending upwards, low volatility, a positive economic environment and supportive monetary policy from central banks, the IPO window remains wide open in EMEIA. The main drivers of IPOs are PE and VC businesses looking to realize value from exits, with the health care, industrials, financial and energy sectors in particular showing strongly, accounting for 48% of total European IPO volumes.”

Dr. Martin Steinbach,
EMEIA IPO Leader, EY

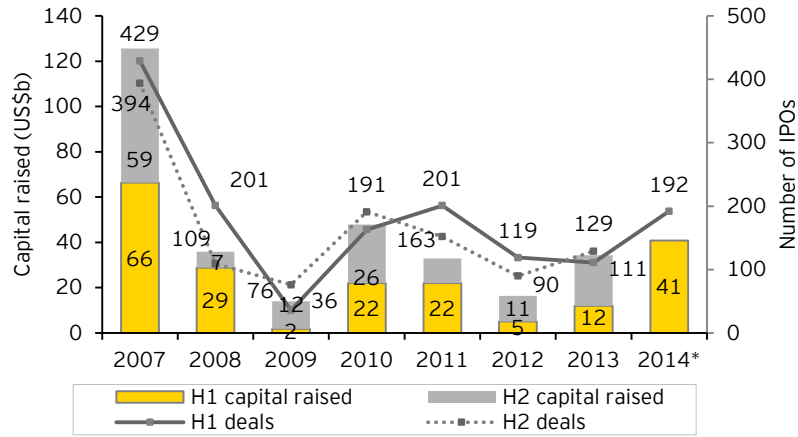
¹Based in IPO activity on EMEIA stock exchanges.

*Data includes effective IPOs up to 26 June 2014.

EMEIA¹ IPO activity trends

EMEIA IPO activity on both the main markets and junior markets improved significantly in H1'14*

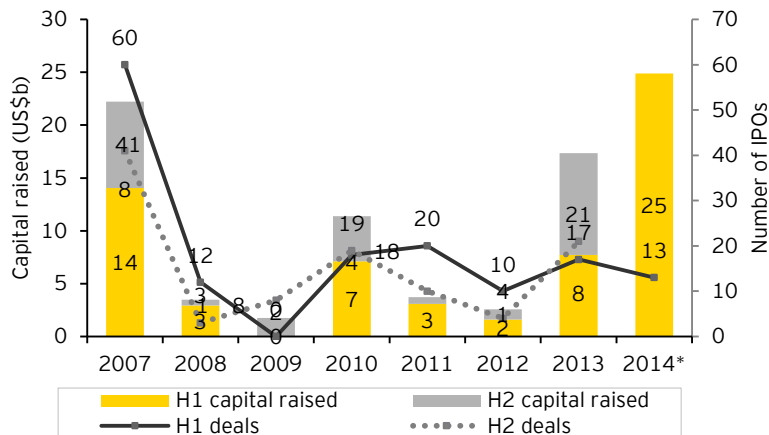
Annual EMEIA IPO activity (2007-2014*)



H1'14* EMEIA IPOs by sector

Sectors	Number of deals	Proceeds US\$m
Retail	16	6,973.5
Industrials	21	5,795.7
Media and Entertainment	14	5,629.4
Financials	16	4,477.2
Healthcare	30	3,924.1
Consumer Products	14	3,875.3
Real Estate	18	3,150.2
Energy	17	2,594.6
Materials	16	1,778.1
Technology	15	1,347.1
Consumer Staples	11	1,023.5
Telecommunications	4	300.2
Grand Total	192	40,868.8

EMEIA financial sponsor-backed IPO activity (2007-2014*)



IPO pricing and performance: H1'14* IPOs

Measures ²	2014 Jan-Jun* IPOs
% of IPOs priced within or above initial pricing range	98%
EMEIA Main market IPOs - First day average return	18.1%
EMEIA Main market IPO - % change of offer price vs. 17 th June	20.3%
EMEIA Main market IPO - Median post-IPO market cap	US\$334.8m
FTSE 100 - 2014YTD returns	-0.2%
DAX - 2014YTD returns	5.0%
CAC - 2014YTD returns	3.8%

¹Based in IPO activity on EMEIA stock exchanges.

²Pricing and returns are based on 110 IPOs on the main market and 82 IPOs on junior markets that have started trading by 26 June.

See Appendix for definitions of main market and junior market.

*Data includes effective IPOs up to 26 June 2014.